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AGENDA ITEM 5a

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. SUBJECT:** Kaiser 2010 Proposed Initiatives
- II. PROGRAM:** Health Benefits
- III. RECOMMENDATION:** Information Only
- IV. INTRODUCTION:**

At the September 2008 Health Benefits Committee (HBC) meeting, Kaiser Permanente (KP) expressed their interest in presenting initiatives to be considered for 2010 implementation. The proposed initiatives are:

- Wellness Pilot
- Kaiser Permanente Senior Advantage
- Partnering on Legislation

This agenda item will be presented by KP staff (See Attachment 1).

V. BACKGROUND AND ANALYSIS:

The following provides a summary of the three proposals.

Wellness Pilot

In an effort to partner with CalPERS, KP proposes a worksite wellness pilot that will produce clinical analytic reports on an agency specific basis. KP proposes to use State agencies in the pilot who have over 1,000 members in KP. The 1,000 member threshold is established to protect member's personal health information (PHI). The agency specific reports will detail cancer screening rates (breast, cervical, and colorectal) immunization and vaccines rates, as well as outcomes and compliance rates for members with chronic conditions (See Attachment 2). KP proposes to present report findings to CalPERS, the Department of Personnel Administration and the Health Benefit Officers, including executives at each agency. Based on each agency's resources, willingness to partner and the clinical outcomes of the

report, KP will propose a customized work-site wellness plan each agency can implement. The plan will include work-site wellness activities, KP facility based activities, as well as the promotion of KP.org online programs promoting healthy behaviors.

Kaiser Permanente Senior Advantage (KPSA)

KP proposes the Board consider two modifications to their Senior Advantage program for CalPERS Medicare members.

1. Board policy change on Medicare enrollment

Currently under the Public Employees Medical and Hospital Care Act (PEMHCA), employees, annuitants and their family members who are eligible for Medicare Parts A without cost and Part B must enroll in a Medicare plan. Both KP and CalPERS have processes in place to ensure these members join KPSA or another Medicare Supplemental plan. However, there are members enrolled in a Kaiser plan who are not required to enroll in KPSA. These members fall into a surcharge category which adds additional costs to the rates. KP proposes the Board review its policies to achieve additional savings in premium dollars.

- Remove protected status exemption for members who are eligible for Medicare Parts A without cost and B and mandate them to join KPSA.
- Allow KP to offer a KPSA Part B only plan.
- Purchase Medicare Part B and pay penalties for members who currently do not have it.

2. Change KPSA benefits to include a \$0 preventive care copay

KP proposes that the Board consider enhancing the Medicare benefits to include a \$ 0 copay for preventive care services (maintaining the \$10 copay for doctor office copays) in order to maintain benefit consistency between the Basic and Medicare plan. KP feels this provides a good incentive for members to obtain needed preventive care services. KP will work with staff during rate negotiation to price this enhancement if the Board wants to review.

Partnering on Legislation

KP proposes partnering on legislation with CalPERS. While both organizations inquire about their respective positions on particular legislation

throughout the year, KP proposes to initiate a process whereby CalPERS Legislative Staff and KP Legislative Staff work together on a regular basis to identify where they can mutually support, oppose or write legislation where a need exists. Opportunities currently exist to work on legislation regarding balance billing, and various benefit mandates.

Kaiser is requesting input from the HBC, CalPERS staff, and constituents that will guide the development of detailed proposals to be brought back to the HBC for further review, consideration, and potential action in 2010.

X. STRATEGIC PLAN:

This directly relates to Goals X and XI of the strategic plan which states:

- “Develop and administer quality, sustainable health benefit programs that are responsive to and valued by enrollees and employers.”
- “Promote the ability of members and employers to make informed decision resulting in improved lifestyle changes and health outcomes.”

XI. RESULTS/COSTS:

This is an information item only.

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Attachments